II. REMARKS

Enclosed is Substitute Specification pages 1-83, which includes a clean version of the above-amended claims.

The Examiner is requested to reconsider the application in view of the foregoing amendment and the following remarks.

Respectfully, and generally for the reasons set forth below, the objections and rejections and each ground therefor -- to the extent not rendered moot by the foregoing Amendment -- are traversed. Generally, it is believed that the amendment adds no new matter.

The Examiner's attention is drawn to the Amendment in the Specification. A typographical error was observed in the transposition of the two terms: "mortgagor" and "mortgagee". A dictionary in the art defines these terms as follows:

Investor Dictionary.com defines **mortgagee** as: The institution, group or individual that lends money secured by pledged real estate; **the lender**.

Investor Dictionary.com defines **mortgagor** as: The owner of real estate who pledges the property as security for the repayment of a debt; **the borrower**.

See, e.g., http://www.investordictionary.com/finance/dictionary/define2097.aspx
http://www.investordictionary.com/finance/dictionary/define2110.aspx

Inadvertently, these terms were transposed in the instant patent application, as is clear from the context of usages in the specification. Consider as examples:

Page 23, line1: *4Mortgagor and Mortgage Data(6)* should read: *4Mortgagee and Mortgage Data (6).*

The specification pertains to associating a cardholder with a mortgage. Thus it is clear that the cardholder must be the borrower or, per the above definition, the mortgagor. Figure 1 teaches how to link the cardholder to a mortgage, which may include identifying the lender or mortgagee. In line 2, the Mortgagor and Mortgage Data (6) being sent is "third-party data". The cardholder is the mortgagor and thus cannot be "third-party data," thus the only logical third-party data would be Mortgagee and Mortgage Data (6).

Page 23, line29: mortgagors should be changed to mortgagees.

This pertains to processing application of data subject to criteria established by the cardholder (who is the borrower or mortgagor), and other entities including, mistakenly written as mortgagors. But clearly the mortgage of the cardholder is never subject to criteria of others' mortgages. It is however subject to the criteria of lenders or mortgagees.

Page 27, number 6, line 11, *Mortgagor* Data Transfer Authorization (43) should read, *Mortgagee* Data Transfer Authorization (43). The embodiment teaches a "loan auctioning" process whereby the cardholder authorizes or prohibits information to flow from his/her mortgage provisioner (6) or lender or mortgagee. The authorization always directs the action, and in this instance directs the lender or mortgagee to transfer data; therefore, Mortgagor (as originally written in the specification) should be switched to Mortgagee.

Page 32, line 6: requests information about the Mortgagor: Name, Address,... This is a clear example of transposition of the terms, whereby Mortgagor should be changed to Mortgagee. It is not necessary to have this information about the cardholder because the system has that

information already, but it is necessary to obtain this information about the lender or Mortgagee.

Page 32, line 20: about Mortgagor 2, etc. The embodiment teaches associating a cardholder with more than one mortgage. Therefore, the information about Mortgagee 2 is utilized to associate the cardholder with another mortgage. Mortgagor 2 should be changed to Mortgagee 2.

Page 32, line 32: Transfer (EFT) to mortgagor (136) the default. The embodiment teaches sending an electronic funds transfer to lender, not to borrower. Therefore, this should read mortgagee (136) the default.

Page 44, line 22: drawing on mortgagor data...initiates a Network (5) request to the mortgagor for the transfer of the cardholder's mortgage data. These two transpositions, where mortgagor needs to be changed to mortgagee. This is clear because the information to be transferred and the information to be supplied is coming from the mortgage provisioner or lender, therefore the information being transferred must be from the mortgagee as requested of the mortgagee.

Page 44, line 25: Retrieved Mortgagor Data (6) should read Retrieved Mortgagee Data (6). This paragraph pertains to where this data is stored, i.e., in a sub-directory of the Cardholder Data File's (42), Cardholder Mortgage Data File (111). Because there already exists a Cardholder Mortgage Data File, a Mortgagor Data File would be redundant whereas a Mortgagee Data file would not be. Accordingly, it is clear that the usage was transposed.

Drawing (6) doesn't say mortgage provisioner, it mistakenly says "mortgagor" when it should say "mortgagee" for the same reason.

In Figure 10, Cardholder Mortgage Data (110) is broken down into three subcategories: *Mortgagor* (114), Mortgage Terms (116), and Mortgage Account # (118). *Mortgagor* is another transposition, clear from the context of the specification, and should be Mortgagee (114). The system already knows who the *mortgagor* or borrower is: it is the cardholder. Thus, the Mortgage Data being identified pertains to the lender or mortgagee. To re-identify the borrower would make no sense; what is missing and in need of identification is the lender or Mortgagee. Therefore, this should read Mortgagee (114).

It is therefore respectfully submitted that the foregoing amendment to "un-transpose" the usages adds no new matter and merely corrects a typographical error.

A. Paragraphs of Objections and\or Rejections

1. Paragraph 1 of the Office Action

In paragraph 1 of the Office Action, the Examiner has graciously provided a copy 35 USC Sec. 112, and the undersigned appreciates the courtesy.

The Examiner has also rejected claims 1, 8, 36, 39, 40, and 41 pursuant to Sec. 112. The Examiner contends that the claim terms of "at least" or "some" renders the claims indefinite.

In response, the rejection is respectfully traversed. These terms are not open ended or indefinite, and Applicant is certainly not the first to use the claim language of "at least" or "some" as this is commonly accepted as clear and definite language in patent practice. Respectfully, this claim language has not been shown to be indefinite or violative of Sec. 112, and thus the requirement to change the language of the claims and rejection are improper.

Nonetheless, Applicant is flexible on this point and would be willing to amend the claims provided that the scope of the claims is not compromised. If the Examiner maintains the rejection, it would be helpful to receive suggested alternative language.

2. Paragraph 2 of the Office Action

In paragraph 2 of the Office Action, the Examiner has graciously provided a copy 35 USC Sec. 103, and the undersigned appreciates the courtesy.

3. Paragraph 3 of the Office Action

In paragraph 3 of the Office Action, the Examiner has rejected claims 1-44 pursuant to 35 U.S.C. Sec. 103. The Examiner contends that these claims are obvious over Ashenmil in view of Cohen.

The legal standard for determining obviousness pursuant to 35 U.S.C. § 103 includes three factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). The U.S. Supreme Court held that in applying Section 103, "the scope of the prior art is to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the art is to be ascertained." *Deere* at 17. Accordingly, the C.C.P.A. has ruled that 35 U.S.C. § 103 places the burden on the PTO to establish obviousness. *In re Reuter*, 651 F.2d 751, 210 U.S.P.Q. 249 (C.C.P.A. 1981).

Ashenmil

Ashenmil (US Patent No. 6,615,187) teaches the creation of a REBO (real estate brokerage option) that is purchased from the homeowner. See Summary of the Invention. The consideration received by the homeowner can be used in certain ways, including paying down a mortgage, credit card rebates, credit card "points" that can be used for frequent flyer miles, etc. In this context, Ashenmil uses the words mortgage, credit card, rebate, and real estate commission.

Cohen

The Examiner cites only to the abstract in Cohen (US Patent No. 6,422,462) to support that the position that there was prior art "credit card activity."

Differences

With regard to the claims at issue (commencing with claim 1) as set forth below (and those depending there from), the difference between the prior art and claim includes the absence of any teaching or suggestion of the claimed:

Claim 1

associating card activity with an external residential expense;

crediting an amount to the residential expense responsive to the card activity; and

generating output including the card activity-based residential expense crediting;

wherein at least some of the steps are carried out by computer.

Critique of the Rejection

Generally, Ashenmil teaches that homeowner money from a sale of a REBO can be credited to a charge card – not the opposite of crediting an amount to the residential expense responsive to the card activity, as claimed. Ashenmil teaches a transaction that is going the wrong direction to meet claim requirements, and its teaching cannot be modified to the opposite direction without contradicting Ashenmil.

More specifically, there is no teaching or suggestion in Ashenmil or Cohen of the step of associating card activity with an external residential expense. The mere mention of card activity in Cohen's abstract does not disclose the claimed method step of associating, and it would be counter-directional for such a step in Ashenmil. Further, there is no charge card activity in Ashenmil to associate.

Additionally, there is no teaching or suggestion in Ashenmil or Cohen of crediting an amount to the residential expense responsive to the card activity as discussed two paragraphs above, and more so, the claim requirement is the wrong direction for Ashenmil.

Further, as the other claim elements have not been disclosed, there is no disclosure of generating output including the card activity-based residential expense crediting....

In addition, the proposed reason to modify or combine cannot be correct. The Office Action states that the reason is for "having a convenient and secure means of paying expenses." But the REBO is not an expense to be paid by a charge card in Ashenmil – it is the source for money that can be applied to a charge card or other things.

With regard to the dependent claims, the reasons for the rejection cannot be correct and the claim requirements cannot be disclosed in Ashenmil because this patent teaches a transaction that is counterdirectional to the claim requirements.

Turning to the other independent, dependent, and new claims, the foregoing is also controlling. The claim requirements are contrary to Ashenmil, mere prior activity of a charge card does not teach the particular claim requirements, and there is no proper reason to combine / modify.

If allowance is not granted, an interview is requested.

III. CONCLUSION

The application, as amended, is believed to be in condition for allowance, and favorable action is requested.

The Commissioner is hereby authorized to charge any fees associated with the above-identified patent application or credit any overcharges to Deposit Account No. 50-0235, and if any extension of time is needed to reply to said office action, this shall be deemed a petition therefor.

If the prosecution of this case can be in any way advanced by a telephone discussion, the Examiner is requested to call the undersigned at (312) 240-0824.

Respectfully submitted,

Date: October 21, 2004

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